

HARTFORD NATIONAL BANK AND TRUST COMPANY

TORRINGTON OFFICE
236 PROSPECT STREET
TORRINGTON, CONNECTICUT 06790

No. **0-086A051**

Date **MAR 26 1980**

Fee \$ **50.00**

ICC Washington, D. C.

11611
RECORDATION NO. Filed 1425
MAR 26 1980 - 2 22 PM
INTERSTATE COMMERCE COMMISSION

March 24, 1980

Secretary of the Interstate Commerce Commission
Washington, D. C.
20423

Security Interest:

Debtor: John F. Besozzi, Jr., 365 Prospect Street, Torrington, Conn. 06790

Secured Party: Hartford National Bank & Trust Company, 236 Prospect Street
Torrington, Conn. 06790

Gentlemen:

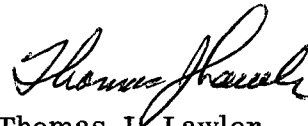
Enclosed herewith is a Security Agreement with two counterparts from the
above-captioned Debtor to ourselves as secured party covering the following equipment:

Four Pullman General Purpose XM Box Cars, leased to the Lamoille
Valley Railroad Company of Vermont, and having the following car marking
and numbers; LVRC 5126, LVRC 5127, LVRC 5128, and LVRC 5129.

The principal office of the Railroad is located at Stafford Avenue, Morrisville,
Vermont 05661.

Also enclosed is our check in the amount of \$50.00 as recording fees. Please
return the recorded document to our offices.

Very truly yours,



Thomas J. Lawler,
Assistant Vice President

TJL/swc

RECEIVED
MAR 26 2 15 PM '80
I.C.C.
FEE OPERATION BR.

Interstate Commerce Commission
Washington, D.C. 20423

4/2/80

OFFICE OF THE SECRETARY

Thomas J. Lawler
Hartford National Bank & Trust Company
236 Prospect Street
Torrington, Conn. 06790

Dear

Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 3/26/80 at 2:20pm, and assigned re-recording number(s). 11611

Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure(s)

SECURITY AGREEMENT

RECORDATION NO. **11611** Filed 1425

MAR 26 1980 - 2 20 PM

AGREES AS FOLLOWS STATE COMMERCE COMMISSION

1. GRANT OF SECURITY INTEREST, John F. Besozzi, Jr. having an office in Torrington, Connecticut herein called Debtor, for value received, hereby grants to the Hartford National Bank And Trust Company, herein called Bank, a security interest in the following property, herein called Secured Party, a security interest in the following property, herein called Collateral:

(a) the property described in Exhibit "A" annexed hereto, and made a part hereof:

Exhibit A

Four Pullman General Purpose XM Box Cars having the following car marking and numbers

LVRC 5126

LVRC 5127

LVRC 5128

LVRC 5129

to secure the payment and performance of all liabilities of Borrower to Bank of every kind and description, direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, including, but not limited to, indebtedness evidenced by certain notes of even date herewith in the respective amount of \$150,000.

2. OWNERSHIP OF COLLATERAL. Debtor represents that it is the owner of all property described in Exhibit "A" hereto; that it has the right to convey a security interest in such property to the Secured Party; and that no other person has or purports to have any right, title, lien, encumbrance, adverse claim, or interest in such property except as disclosed in writing to, and accepted in writing by, the Bank.

3. USE OF COLLATERAL. Borrower represents that the Collateral has been acquired and is used by the Borrower, or will be acquired and will be used, primarily for business purposes.

4. ACTS TO BE PERFORMED BY BORROWER. Borrower agrees as follows:

(a) PAYMENT AND PERFORMANCE. Borrower shall pay and perform all of the obligations secured by this agreement according to their terms.

(b) FURTHER ASSURANCES. Borrower shall defend the title to the Collateral, against all persons and against all claims and demands whatsoever, and shall indemnify Bank for all costs, fees, and expenses incurred in connection with such claims and demands. On demand the Bank, Borrower shall (i) furnish further assurance of title, (ii) execute any written instrument or do any other acts necessary to make effective the purposes and provisions of this agreement and (iii) execute any instrument or statement required by law or otherwise in order to perfect or continue the security interest of the Bank in the Collateral and pay all costs of filing in connection therewith.

(c) POSSESSION AND REMOVAL. Debtor may remain in possession of the Collateral until default under this agreement. Debtor shall not permit the Collateral to be removed from its present location without consent of the Secured Party.

(d) SALE AND EXCHANGE. Borrower shall not, without the written consent of the Bank, sell, exchange, contract to sell, lease, encumber or transfer Collateral, and whether or not such consent has been obtained, the proceeds such sale, exchange, or transfer shall be applied on the obligations secured by this agreement, or subject to the security interest of this agreement; but nothing herein shall prevent the sale, subject to the security interest hereof, of the Collateral to a purchaser of the premises upon which the Collateral is located. Notwithstanding the foregoing, Borrower shall have the right without the consent of the Bank, to remove and dispose of, free from security interest of this agreement, such Collateral as from time to time may become worn out or obsolete, provided that either:

(i) simultaneously with or prior to such removal any such Collateral shall be replaced with other property of a value at least equal to that of the replaced Collateral and free from any security interest (other than the security interest hereof) or other encumbrance and from any reservation of title, and by such removal and replacement Borrower shall be deemed to have subjected such replacement property to this agreement, or

(ii) any net cash proceeds received from such disposition shall be paid over promptly to the Bank to be held as security for the performance and payment of all obligations secured by this agreement according to their term or applied to the payment thereof at the option of the Bank.

(e) CERTAIN ACTS REQUIRED.

(i) PROPER CARE AND INSPECTION. Borrower shall maintain the Collateral in good and saleable condition, repair it if necessary, clean, shelter, and otherwise deal with the Collateral in all such ways as are considered good practice by owners of like property. Borrower shall use the Collateral lawfully and only as permitted by insurance policies. Bank may enter upon the premises where the Collateral is located and examine it.

(ii) INSURANCE. Borrower shall keep the Collateral insured for the benefit of Bank against loss by fire and other casualties or risks in such form and amount, with such companies, as may be required by Bank. Borrower agrees to deliver the insurance policies to Bank upon request, and authorize Bank to make or compromise any claim thereunder. Borrower hereby appoints the Bank the attorney for the Borrower in obtaining, adjusting and cancelling any such insurance and endorsing settlement drafts and hereby assigns to the Bank all sums which may become payable under such insurance, including return premiums and dividends, as additional security for the indebtedness. Borrower shall give immediate written notice to the Bank and to insurers of loss or damage to the Collateral and shall promptly file proofs of loss with insurers.

(iii) ENCUMBRANCES AND TAXES. Borrower shall keep the Collateral free from all prior security interests (other than of this agreement), liens, claims, charges, encumbrances, taxes and assessments and shall pay when due all taxes and assessments relating to the Collateral.

(iv) INFORMATION. Borrower shall furnish promptly to Bank any information Bank may reasonable require. Borrower represents and warrants that any information at any time supplied to Bank (including, but not limited to, the value and condition of the Collateral, and the accuracy of any financial statements) is (or will be) correct.

(v) NOTIFICATION OF CHANGE. Borrower shall notify Bank promptly of any change in the location of the Collateral or in Borrower's residence, place and places of business or mailing address.

(f) FAILURE TO PERFORM ACTS.

(i) PERFORMANCE BY BANK. Upon failure by the Borrower to perform the acts described in paragraph (c) above, the Bank is authorized and has the option to perform any of said acts in any manner deemed proper by the Bank, without waiving any rights to enforce this agreement.

(ii) ADVANCES SECURED. The reasonable expenses (including, without limitation, attorneys' fees and the cost of any insurance and payment of taxes or other charges) paid by the Bank in respect to the Collateral shall be deemed advanced to the Borrower by the Bank, shall bear interest at the highest rate provided in the above-described notes, and shall be secured by this agreement.

5. WHEN OBLIGATIONS BECOME DUE. At the option of the Bank, the obligations secured by this agreement shall become immediately due and payable in full upon the happening of one or more of the following events:

(a) DEFAULT IN OBLIGATIONS. If the Bank shall elect to accelerate the maturity of the indebtedness evidenced by said note pursuant to the provisions of the note or of any other instrument which may be held by the Bank as security for the note, |

(b) DEFAULT IN SECURITY AGREEMENT. If the Borrower or any guarantor shall fail to perform any covenant, condition or provision of this agreement or if any representation herein shall be false or if any warranty herein shall be breached. The term "guarantor" as used in this agreement shall include "co-maker or co-makers, and/or endorser or endorsers, of the Note secured hereby, and/or guarantor or guarantors, and/or surety or sureties for the Borrower, in respect of any and all indebtedness secured hereby".

(c) MISCELLANEOUS. Without in any way limiting the generality of the foregoing:

(i) If the Borrower shall fail to comply with any statute, requirement, rule, regulation, order or decree, of any federal, state, municipal or other governmental authority relating to the Collateral.

(ii) If the Collateral or any portion thereof, or any interest of the Borrower therein, be levied upon or attached by virtue of an execution issued upon any judgment or a writ of attachment or any other process.

6. REMEDIES UPON DEFAULT.

(a) **GENERAL.** In the event of default under this agreement, the Borrower and the Bank shall have the rights and remedies provided in the Uniform Commercial Code, and in addition those provided in this agreement.

(b) **ASSEMBLY OF COLLATERAL.** In the event of default the Borrower shall, upon request of the Bank, assemble the Collateral and make it available to the Bank at a place reasonably convenient to both parties designated by the Bank.

(c) **CASH OR CREDIT SALES.** It is agreed that sales for cash or on credit to a wholesaler, retailer, or user of property of the type subject to this agreement or at public or private auction are all commercially reasonable.

(d) **NOTICE OF DISPOSITION.** The Bank shall give the Borrower notice of the time and place of any public sale of any of the Collateral or of the time after which any private sale or any other intended disposition thereof is to be made by sending notice, first-class postage prepaid and addressed to the Borrower at the latest address of Borrower appearing on the records of the Bank at least five days before the time of the sale or other disposition, which provisions for notice the Borrower and Bank agree are reasonable.

(e) **APPLICATION OF PROCEEDS.** Any proceeds of any disposition of any of the Collateral may be applied by the Bank to the payment of expenses in connection with the Collateral, including reasonable attorneys' fees and legal expenses, and any balance of such proceeds may be applied by the Bank toward the payment of such of the obligations secured by this agreement, and in such order of application, as the Bank may from time to time elect.

7. COVENANT TO PAY DEFICIENCY. Upon default if the sale or other disposition of the Collateral fails to satisfy the obligations secured by this agreement and the reasonable expenses of retaking, holding, preparing for sale, selling and the like, including reasonable attorneys' fees and legal expenses incurred by the Bank in connection with this agreement or the obligations it secures, the Borrower shall be liable for any deficiency.

8. MISCELLANEOUS. The Borrower and the Bank agree as follows:

(a) **WAIVER OF CERTAIN MATTERS.** The Borrower expressly waives all requirements of presentment, protest, notice of protest, notice of nonpayment or dishonor and all diligence. Furthermore, BORROWER ACKNOWLEDGES THAT THE TRANSACTION OF WHICH THIS AGREEMENT IS A PART IS A COMMERCIAL TRANSACTION, AND HEREBY WAIVES ITS RIGHT TO NOTICE AND HEARING UNDER CHAPTER 903a OF THE CONNECTICUT GENERAL STATUTES, OR AS OTHERWISE ALLOWED BY THE LAW OF ANY STATE OR FEDERAL LAW WITH RESPECT TO ANY PREJUDGMENT REMEDY WHICH BANK OR ITS SUCCESSORS OR ASSIGNS MAY DESIRE TO USE.

(b) NON-WAIVER OF CERTAIN MATTERS. Any failure by the Bank to exercise any right set forth in this agreement shall not constitute a waiver thereof. Nothing in this agreement or in the obligations secured by it shall preclude any other remedy by action or otherwise for the enforcement of this agreement or the payment in full of the obligations secured by it.

(c) NO DISCHARGE. No part to this agreement shall be discharged by any extension of time, additional advances and notes, renewals and extension of any note, the taking of further security, releases of a part or all of the property securing the mortgage, extinguishment or release of the security interest as to all or any part of the Collateral, or any other act except a release or discharge of the security interest upon the full payment of the obligations secured by this agreement, including charges, expenses, fees, costs and interest.

(d) SUCCESSION. This agreement shall bind the respective heirs, executors, administrators, successors and assigns of the Borrower and the B

9. APPLICABLE LAW, CONSTRUCTION, ETC.

(a) GOVERNING LAW. The rights and duties of the parties under this agreement shall be governed by the law of the State of Connecticut.

(b) CONSTRUCTION. The section headings are for convenience only and of no substance, and no significance to any section heading shall be given in construction or interpretation of this Security Agreement.

Signed this 24th day of March 1980.

DEBTOR:

John W. Besozzi

SECURED PARTY:

Thomas J. Lawler Asst. Vice Pres.

STATE OF CONNECTICUT)

SS. Torrington

COUNTY OF LITCHFIELD)

On this 24th day of March, 1980 before me personally appeared John F. Besozzi, Jr., to me known to be the person described in and who executed the foregoing instrument and he acknowledged that he executed the same as his free act and deed.

Sylvia W. Cain
Notary Public

My Commission Expires

My Commission Expires 1985
Sylvia W. Cain

STATE OF CONNECTICUT)

) SS: Torrington

COUNTY OF LITCHFIELD)

On this 24th day of March, 1980 before me personally appeared Thomas J. Lawler to me personally known who being by me duly sworn, says that he is the Asst. Vice Pres. of the Hartford National Bank and Trust Company, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Sylvia W. Cain
Notary Public

My Commission Expires

My Commission Expires 1985
Sylvia W. Cain